GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:5779
ANSWERED ON:10.04.2017
Enquiry Committee of KG Basin
Singh Shri Ravneet

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the enquiry committee constituted with regard to the Krishna Godavari Basin has submitted its report to the Government;
(b) if so, the details thereof along with the major findings of the enquiry committee; and
(c) the follow up action taken by the Government thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN):
(a) & (b) Government constituted a single member committee comprising of Shri Ajit Prakash Shah, former Chief Justice of Delhi High Court to look into the dispute between Reliance Industries Limited (RIL) and ONGC regarding ONGC blocks (KG-DWN-98/2 & Godavari PML) and RIL block (KG-DWN-98/3) in Krishna Godavari Basin. The Committee had in its Report concluded, inter-alia, that there has been unjust enrichment to the contractor of the block KG-DWN-98/3 due to production of the migrated gas from ONGC's blocks KG-DWN-98/2 and Godavari PML. The summary of other findings and recommendations thereon are detailed in Chapter 10 of the Report. The Report of the Committee has been uploaded on this Ministry's website.
(c) The Government has accepted the recommendations of the Committee and consequently, it has been decided by the Government to claim restitution from the contractor for the block KG-DWN-98/3 for the unjust benefit received and unfairly retained. A notice in this regard has been issued by this Ministry on 3rd November, 2016. Government through this notice has directed RIL to remit an amount of USD 1,552,071,067 (computed provisionally) being net amount of restitution receivable along with interest upto 31.3.2016 and USD 174,905,120 towards the revised additional cumulative Profit Petroleum receivable upto 31.3.2016 to the Government within 30 days from the date of receipt of the notice. RIL vide its Notice of Arbitration dated 11.11.2016 has invoked arbitration disputing the claim of the Government of unjust benefit and restitution claimed in the aforesaid Ministry's notice dated 3.11.2016. The dispute is referred to Arbitral Tribunal, which comprises of Mr. Lawrence Boo, Presiding Arbitrator, Justice G.S. Singhvi (GOI nominee), and Sir Bernard Eder (Contractor's nominee).
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